

**THE OFFICE OF REGULATORY STAFF**  
**DIRECT TESTIMONY AND EXHIBITS**  
**OF**  
**BRENT L. SIRES**



**Docket No. 2007-228-G**

**Office of Regulatory Staff, Complainant/Petitioner**  
**vs.**  
**Quail Pointe Apartments, Defendant/Respondent**

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**DIRECT TESTIMONY OF  
BRENT L. SIRES  
ON BEHALF OF  
THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF  
DOCKET NO. 2007-228-G**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

**A.** My name is Brent L. Sires. My business address is 1441 Main Street, Suite 300, Columbia, South Carolina 29201. I am employed by the State of South Carolina as a Senior Specialist in the Gas Department for the Office of Regulatory Staff ("ORS").

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

**A.** I received a Bachelor of Science Degree, Marketing and Management, from the University of South Carolina in 1979. From 1980 to 2004, I was a member of the Utilities Department of the South Carolina Public Service Commission where I was an inspector in the Pipeline Safety Program 1980-1985 and participated in cases involving natural gas economic regulation 1985-2004. In January 2005, I began my employment with the ORS.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

**A.** The purpose of my testimony is to present the views/opinions of ORS as they relate to natural gas service provided to the tenants of Quail Pointe Apartments.

**Q. HOW HAS THIS MATTER BEEN BROUGHT TO THE ATTENTION OF ORS?**

**A.** This matter was brought to the attention of ORS via a telephone call from Ms. Cherie Holsten, who is a resident of the Quail Pointe Apartments, to the Electric and Natural Gas Department. The nature of the call originated as an inquiry regarding allocating natural gas usage on a square footage basis and eventually materialized into ORS representatives investigating the billing practices for natural gas usage at Ms. Holsten's apartment.

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**Q. WHAT WERE THE FINDINGS OF ORS' INVESTIGATION?**

**A.** On February 6, 2007, Chad Campbell of the ORS Consumer Services Division and myself visited the Quail Pointe Apartments. Our investigation identified the following:

- Ms. Holsten's apartment building consisting of eight apartments is served Natural Gas through one meter belonging to Piedmont Natural Gas Company. See Exhibit #1. Piedmont Natural Gas Company bills Quail Pointe Apartments not the individual tenants living in each apartment.
- The natural gas is piped into the individual apartments through a distribution system which appears to be the property of the Apartment Complex and appears to be individually metering natural gas usage for each natural gas appliance (excluding the cook stove) for each of the apartments in this complex.
- Ms. Holsten's apartment uses natural gas for space heating as well as a water heater and a gas stove/range. Exhibit #2 pictures the natural gas furnace and water heater and the apparent metering device.
- Quail Pointe Apartments or its designee is separately billing each of its tenants for natural gas.
- Ms. Holsten provided actual bills from a third party American Water representing the consumption of and billing for natural gas at her address Apartment #A-8, Quail Pointe Apartments, 460 East Blackstock Road, Spartanburg, South Carolina. Payments are made by Ms. Holsten and other residents directly to the Apartment complex on a monthly basis.
- Ms. Holsten is provided, billed, and pays for, natural gas service from an entity or entities which are acting as a natural gas utility but neither Quail Pointe

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1 Apartments nor American Water are certificated by the South Carolina Public  
2 Service Commission as a natural gas utility .

3 **Q. MR. SIRES, BASED ON YOUR INVESTIGATION IS MS. HOLSTEN BEING**  
4 **BILLED FOR NATURAL GAS FROM AN ENTITY ACTING AS A NATURAL**  
5 **GAS UTILITY?**

6 A. Yes. ORS has concluded that Quail Pointe Apartments is acting as a “public utility”  
7 based on the information which we have collected during the course of our investigation  
8 and in accordance with the provisions of S.C. Code Ann. §58-5-10(4).

9 **Q. WOULD YOU PLEASE EXPLAIN THE BASIS FOR THIS CONCLUSION?**

10 A. ORS’s position is that Quail Pointe Apartments has been acting as an unregulated public  
11 utility on the basis of its delivering by pipe and billing for natural gas service to its  
12 residents since November or December of 2001. During ORS’s investigation, we  
13 learned that Quail Pointe Apartments is a retail customer of Piedmont Natural Gas  
14 Company and does not hold a certification as a public utility from this Commission.  
15 Further, sometime in late 2001 Quail Pointe Apartments installed individual meters of  
16 some type in each of the apartments in this complex and began to separately bill each of  
17 its tenants for natural gas. Although there have been some changes in third party billing  
18 companies and billing procedures, as well as changes in the ownership and management  
19 of the complex over the past five and a half years, Quail Pointe Apartments has  
20 continually distributed natural gas by pipe to the tenants of its apartment complex (as  
21 members of the “public or any portion thereof”) for compensation, thus meeting the  
22 definition of “public utility” contained in South Carolina Code Annotated §58-5-10(4).  
23 The tenants meet the definition of members of “the public or any portion thereof” under

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1 S.C. Code Ann. §58-5-10(5) as they are persons to whom a commodity is delivered and  
2 for which compensation is required.

3 **Q. ONCE ORS MADE ITS FINDING AND AFTER NOTIFYING QUAIL POINTE**  
4 **APARTMENTS, WHAT STEPS HAS ORS TAKEN TO RESOLVE THIS**  
5 **MATTER?**

6 **A.** ORS contacted Quail Pointe notifying it that it was acting as an uncertificated public  
7 utility on February 12, 2007. Quail Pointe failed or refused to respond to ORS' letter and  
8 has continued to bill the Tenants of the apartment complex for natural gas service and  
9 usage. ORS filed the Petition initiating this case with the Commission on June 8, 2007  
10 requesting the Commission to Order Quail Pointe Apartments to appear before the  
11 Commission and show cause why Quail Pointe Apartments should not be regulated as a  
12 Public Utility as defined under S. C. Code Ann. §58-5-10.

13 **Q. MR. SIRES WHY IS IT IMPORTANT THAT THE COMMISSION RULE THAT**  
14 **QUAIL POINTE APARTMENTS IS A PUBLIC UTILITY?**

15 **A.** There are many reasons. First and foremost is the fact that if it is ruled to be a public  
16 utility, the Apartments will be forced to either discontinue the sale of natural gas to its  
17 residents or to meet the various statutory and regulatory requirements of a "public utility"  
18 in South Carolina. As an unregulated public utility, Quail Pointe is currently not  
19 complying with a wide variety of safety, billing, metering, notice and other requirements  
20 which public utilities are required to comply with under the laws of this state and the  
21 regulations and rules of the Public Service Commission. Over the past five and half years  
22 Quail Pointe has been charging its tenants and customers for natural gas service at  
23 unapproved and unregulated rates and charges at irregular intervals and has failed to

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1        comply with safety requirements which this Commission, the ORS and the federal  
2        government require of natural gas utilities.

3        Specifically, it appears that Quail Pointe is not in compliance with the Federal Safety  
4        Standards for the transportation of gas and pipeline facilities as adopted by the State of  
5        South Carolina under S. C. Code §58-5-970, the Customer Billing requirements set forth  
6        in S.C. Code Ann. Regs. Regulation 103-439, the Customer Complaints regulations  
7        contained in Regulation 103-445, the contracts and rate schedule rules and regulations in  
8        Reg. 103-446 or the "Procedures for Termination of Service" contained in Reg. 103-452  
9        and S.C. Code Ann. §58-5-1120.

10    **Q.    MR. SIRES, HAVE YOU ADDRESSED ALL EXAMPLES OF THE RULES AND**  
11        **REGULATIONS THAT APPLY TO NATURAL GAS SERVICE SUPPLIED BY**  
12        **GAS SYSTEMS IN SOUTH CAROLINA?**

13    **A.**    No. I have not. As this Commission is aware there are numerous Rules and Regulations  
14        that apply to Gas Systems in South Carolina, I have only brought attention to a couple of  
15        them. The point I want to emphasize is that the tenants of Quail Pointe Apartments are  
16        not protected by any of the statutes, regulations or rules which protect the customers of  
17        natural gas public utility companies in South Carolina which are regulated by this  
18        Commission.

19    **Q.    DOES ORS HAVE A POSITION AS TO HOW THIS MATTER SHOULD BE**  
20        **RESOLVED?**

21    **A.**    ORS requests that the Commission rule that Quail Pointe Apartments is operating as an  
22        uncertificated public utility on the basis of its sale of natural gas to the residents of its  
23        apartment complex. We further request that Quail Pointe Apartments be Ordered to

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1        either make proper application to this Commission to be approved as a certificated public  
2        utility or otherwise come into compliance with the laws of this State and Rules and  
3        Regulations of the Public Service Commission by ceasing to perform activities and sales  
4        of natural gas which qualify it as a “public utility” under South Carolina law within 30  
5        days of the date of the Commission’s final Order in this matter.

6        **Q.    DOES THIS CONCLUDE YOUR TESTIMONY?**

7        **A.    Yes, it does.**

**EXHIBIT 1**





EXHIBIT 2



**THE OFFICE OF REGULATORY STAFF**  
**DIRECT TESTIMONY AND EXHIBITS**  
**OF**  
**CHERIE L. HOLSTEN**



**Docket No. 2007-228-G**

**Office of Regulatory Staff, Complainant/Petitioner**  
**vs.**  
**Quail Pointe Apartments, Defendant/Respondent**

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**DIRECT TESTIMONY OF  
CHERIE L. HOLSTEN  
ON BEHALF OF  
THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF  
DOCKET NO. 2007-228-G**

**Q. PLEASE STATE YOUR FULL NAME AND ADDRESS.**

**A.** My name is Cherie L. Holsten. My home address is 460 East Blackstock Road, Apartment A-8, Spartanburg, South Carolina, 29301. I am a resident of the Quail Pointe Apartment complex at located at 460 East Blackstock Road in Spartanburg.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

**A.** The purpose of my testimony is to state my concerns as a resident of the Quail Pointe Apartments regarding the billing practices, metering, and provision of natural gas service to myself and the other residents of this apartment complex. As I will discuss in more detail later in my testimony, I do not believe that the natural gas being sold to myself and the other residents of the complex by Quail Pointe Apartments is being accurately metered or billed. Additionally, there seems to be no set pattern or method for billing by the Apartment Complex management as some of the residents are not being billed at all while others, such as myself, are seemingly being billed a proportional share of the complex's monthly gas bill somewhere between one to three months after the gas, and possibly water, is being used. My concern over improperly recorded and billed usage of natural gas by the Apartment Complex is what led to my initial contact with the Office of Regulatory Staff.

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**Q. PLEASE PROVIDE SOME DETAILS REGARDING YOUR RESIDENCE AT QUAIL POINTE AND THE HISTORY OF NATURAL GAS SERVICE TO YOURSELF WHILE A RESIDENT OF THIS COMPLEX.**

**A.** I have lived at Quail Pointe Apartments for approximately 20 years. There are approximately 100 apartments in the complex, all of which, to the best of my knowledge, use natural gas for heating, cooking, and hot water. When I first moved into the complex both water and natural gas were included in the monthly rent. Then, as is still the case now, electricity was individually metered and billed to each apartment by Duke Power. In late 2001 the complex changed its policy regarding the use of natural gas. The other residents of Quail Pointe and I were informed by the apartment complex's management that natural gas would no longer be included in our monthly rent (See **Exhibit A**, "Quail Pointe Apartment Homes Addendum to Lease Sub-Metered Natural Gas.") A residents' meeting was called by the management at which time we were told that individual meters to measure natural gas usage would be installed in each apartment. Along with the other residents, I was also told that these individual meters would be connected via some type of wireless connection to the complex's management office and that the meters would signal the amount of gas used in each apartment to the office once a month. This gas usage information was then to be provided to a third party billing company which would issue actual monthly bills to the residents. Exhibit B attached to my pre-filed testimony shows copies of bills from Argen Billing Systems to me for natural gas during the period March through October 2002. As shown in this exhibit, my bill would list the dates of usage, the amount of gas used, and the payment owed for this period. The bill also shows a \$5.00 "service charge" which was added to my bill each month and a \$15.00 late fee

1 which would be added to my account each month if the bill was not paid in full by the  
2 due date. As shown by my notes on several of the bills, sometimes the bills were not  
3 even received until after the date which they were supposed to be due. Frequently the  
4 bills were received only a few days prior to or on the due date stated on the bill.

5 I quickly learned through discussions with my neighbors that the amounts being billed for  
6 natural gas were inconsistent. During winter months some bills were for over \$150 while  
7 others for apartments of the same size were for well under \$100 for the same month. The  
8 dollar amounts billed to each apartment also varied widely from one month to the next.  
9 The inconsistency and erratic billing dates and dollar amounts billed made it very  
10 difficult for the residents, in particular those living on fixed incomes, to budget payments  
11 for their gas.

12 **Q. AT SOME POINT DID THE APARTMENT COMPLEX CHANGE THE**  
13 **BILLING COMPANY OR THE BILLING PROCEDURES RELATED TO THE**  
14 **NATURAL GAS SERVICE TO YOUR APARTMENT?**

15 **A.** Yes. In December 2002 Quail Pointe changed the billing company. We then began  
16 receiving bills from "American Water."

17 **Q. DID THE SERVICE AND BILLING IMPROVE WITH THIS CHANGE IN**  
18 **COMPANIES?**

19 **A.** No. Although the five dollar per month "service charge" was stopped, the billing  
20 continued to be erratic and the amounts varied widely. **Exhibit C** to my testimony shows  
21 several of the bills which I received in 2003 from American Water. Despite lowering my  
22 thermostat and using an electric heater, the bill for my apartment (with only one  
23 occupant) was consistently much higher than those of my neighbors with the same square

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1       footage and two occupants. In response to my questions and complaints to the complex  
2       management no one could tell me why my bill was higher than my neighbors or exactly  
3       how the usage was calculated or measured by the billing company. Several of my  
4       neighbors also were making complaints to the complex management regarding the gas  
5       bills, and this apparently led to the complex making yet another change in their gas  
6       billing procedures.

7   **Q.   WOULD YOU PLEASE EXPLAIN WHEN AND HOW THIS SECOND CHANGE**  
8       **IN THE GAS BILLING PROCEDURES AT QUAIL POINTE OCCURRED?**

9   **A.**   In March of 2003 the residents received a letter from the manager of the apartment  
10       complex (See **Exhibit D**), who at the time was Carolyn Rogers, informing us that  
11       effective March 13, 2003, billing for natural gas in the apartments would be conducted by  
12       National Exemption Service and that payments should be thereafter made to the  
13       apartment rental office. Residents were further told that payments for the gas bills would  
14       be due on the same day of the month (the 5<sup>th</sup>) as rent payments. We were also told that if  
15       we paid our rent but not our gas bill that the amount owed on our monthly gas bill would  
16       be “deducted” from our rent payment and a “late charge” of \$65 would be charged for  
17       our past due rent if it was not paid in full by the 5<sup>th</sup>. In other words, any amounts which I  
18       paid to the complex were first credited against my gas bill.

19       I continued to have problems with, and to complain to the management about, gas usage  
20       notices being received just days prior to payment being owed and inconsistencies in my  
21       bill.

22   **Q.   AT SOME POINT DID YOUR CONCERNS REGARDING YOUR GAS BILLS**  
23       **LEAD YOU TO CONTACT THE OFFICE OF REGULATORY STAFF?**

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1    **A.**    Yes.

2    **Q.**    **WOULD YOU PLEASE EXPLAIN THE CIRCUMSTANCE THAT LED YOU TO**  
3    **CONTACT ORS.**

4    **A.**    It began in the Spring of 2006. I had already turned off the heat in my apartment when I  
5    received a \$125.00 bill in the month of April. Having not run my gas heat, based on the  
6    recent weather, I felt that this bill was outrageously high (See, Bill with Due Date of  
7    04/05/06 in **Exhibit E**). I spoke with the Apartment Manager, Ms. Angie Feregrino,  
8    regarding this bill and a few days later she told me that she had learned that the usage  
9    listed on that bill was for gas used during the cold period two months previously rather  
10    than for the prior month as stated on the bill. This caused me some concern both because  
11    the period stated on the bills was incorrect and also because I still cannot understand who  
12    paid for the gas used by tenants who had moved out of their apartments in the intervening  
13    two months.

14    I also began to have health and safety concerns regarding our gas service at this time.  
15    Both my neighbors and I became aware of a gas leak in a neighboring apartment which  
16    had apparently been caused when the tenant had moved out and the complex had  
17    removed the gas stove to another apartment. The complex employees that moved the  
18    stove apparently had failed to properly cap the gas line when the stove was removed. I  
19    detected a strong odor of gas but could not take any action to get the leak stopped. I  
20    could not call Piedmont Natural Gas because while they provide service to the buildings  
21    in the complex they are not our service provider and according to my understanding have  
22    no responsibility beyond their meter at the outside of the buildings. When I attempted to  
23    call the emergency maintenance number for the apartment complex I received a message

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1       that the line was out of service. Eventually my neighbors and I called the fire  
2       department. The fire department somehow reached the complex maintenance man and he  
3       arrived at about the same time as a fire truck.

4       A second leak occurred in my own apartment a short time later. My stove developed a  
5       leak which led to the underside of my stovetop catching on fire. As this occurred “after  
6       hours” I tried to call the emergency maintenance number, and it was again out of order. I  
7       fortunately happened by accident to run into the maintenance man on the grounds while  
8       walking to the complex manager’s apartment.

9       Also, sometime in 2006 the gas meter in my house was allegedly calibrated by a meter  
10      company employee and a complex maintenance worker. They supposedly calibrated my  
11      gas meter but never checked the usage or serviceability of any of the gas appliances in  
12      my apartment. The “calibration” was allegedly accomplished by the workers asking me  
13      to turn on and off certain cold water taps in my apartment. Shortly after this calibration  
14      my gas bills began to list dates, usage, and the description “Water Chg.” next to the total  
15      amount which I was told I owed each month for natural gas.

16     Both my neighbors and I continued to have problems with gas service and bills in the  
17     complex which led me to eventually contact Piedmont Natural Gas. I knew Piedmont  
18     was the natural gas service provider to the complex and wanted to see if they could  
19     provide me with any information concerning their natural gas rates. They eventually  
20     gave me information on two different rates (residential and commercial), stating that they  
21     were not sure what rate I would be charged if I was a customer. I then attempted to  
22     calculate a bill using the usage reported on my gas bill with both rates that Piedmont had  
23     provided me but I could not match the usage and the rates with what I was charged on my



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1 monthly bill. As I was now very interested in how my monthly gas bill was being  
2 calculated, I called the billing company, NES, to ask them if they could tell me how the  
3 bills were calculated. I was told that they were using a RUB (ratio utilities billing) to  
4 calculate our bills and that actual natural gas usage did not matter. I learned that the RUB  
5 formula was calculated based on things such as the size of the apartment and the number  
6 of people residing in each apartment. As I asked more specific questions I was told that  
7 the person who knew this information was not in the office. I left my name and number  
8 and was told that I would get a call back – which I never did. I called NES back the next  
9 day, received the same answer, left my number again and was again not called back.  
10 My inability to get any information eventually led me to call my State Senator, Senator  
11 Hawkins, whose office referred me to the Office of Regulatory Staff.

12 Two employees of the ORS, Brent Sires and Chad Campbell, subsequently came to my  
13 apartment to investigate and examine the meters at the complex.

14 **Q. HAS ANYTHING CHANGED REGARDING YOUR GAS SERVICE OR BILLS**  
15 **SINCE YOU CONTACTED THE ORS IN THIS MATTER?**

16 **A.** Yes. Initially, at least through September 2007 when I first filed testimony in this case,  
17 the billing procedures seemed to remain the same, even though the time and amounts of  
18 the bills varied significantly. During the middle of 2007 there was one month when I and  
19 the other residents were not even given a gas bill, and we then received three gas bills  
20 over a period of two months. My three bills for this period were \$31.71, \$3.30, and  
21 \$13.00. At the same time I received the bill for \$3.30 one of my neighbors received a bill  
22 for \$46.00 (and \$30.00 for the third period). When I called the apartment manager to ask  
23 about the strange bills, I was told to deduct the \$3.30 from the \$13.00 bill and pay the

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1 difference. My neighbor was told to pay the \$30.00 bill and ignore the \$46.00 bill.

2 Angie, the apartment manager, told me that we were once again going to be getting a new  
3 billing company for our gas.

4 I also learned in late 2007 that the apartment complex had been sold in May of that year.

5 In August a new apartment manager, Ms. Lorrie Towe, was hired.

6 In November of 2007 the new owners started a new billing system which added a  
7 monthly service charge as well as billing the residents for a gas allocation which is noted  
8 on the monthly statement as "RUBS" based on both the number of occupants in the  
9 Apartment and the Apartments Square footage. **Exhibit F** to my testimony shows the  
10 monthly statement which was given to me on November 30, 2007; with a due date of  
11 December 1, 2007. I have no way of determining whether the amount billed to me by the  
12 Quail Pointe Apartments each month is a fair amount since I do not know what the  
13 complex is billed by Piedmont Natural Gas or how this bill is allocated to the apartments  
14 residents. I suspect that the complex has been billing the residents for a portion of the gas  
15 which is used in vacant apartments and for amounts used by residents who have moved  
16 out; since the bills are typically for usage which occurred one to three months prior to our  
17 being billed.

18 Most recently, I have learned that new residents of Quail Pointe are not being charged  
19 any additional amounts each month for gas or water. Whether these residents will start to  
20 be charged once the gas is used for heating I don't know. I do know that at the present,  
21 older residents such as me are paying a monthly RUB for gas and water while newer  
22 residents are only paying a flat monthly rental fee. I suspect that only some portion of

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1 Quail Pointe's residents are "splitting" the cost of gas and water being billed to the entire  
2 complex.

3 One additional recurring problem since I first filed testimony in this case is the lack of  
4 any maintenance or emergency number. We have recently had several incidents at the  
5 complex, to include a car trying to evade the police running across the property and  
6 damaging one of the buildings, which led me to try and contact someone at the complex's  
7 offices after-hours. I have never been able to reach anyone to report an emergency or  
8 request an immediate response for a utility problem. Most recently when I dialed the  
9 maintenance number provided by Quail Pointe, a voice came on the line telling me that  
10 the number had been disconnected. As the heat, hot water heaters, and stoves of all of the  
11 apartments are fueled by natural gas, this inability to contact anyone to respond to an  
12 emergency is very troubling to me. Particularly in light of the fact that Piedmont Natural  
13 gas will not touch, repair or respond to any calls regarding any problems past their  
14 meters.

15 **Q. WHAT ACTION WOULD YOU LIKE THE PUBLIC SERVICE COMMISSION**  
16 **TO TAKE REGARDING YOUR NATURAL GAS SERVICE?**

17 **A.** First and foremost I only want to pay for the utilities that I use. I would like to see a fair  
18 and understandable billing system put into place so that the other residents of the  
19 complex and myself only pay for the gas which we actually use in our apartments. The  
20 current RUB billing used by Quail Pointe, if this is indeed the method that they are using  
21 to calculate our bills, is inherently unfair and does not promote or support conservation.  
22 As a consumer I do not know if I am only paying for my utility usage or also for a portion  
23 of my neighbor's utilities. I also believe that the distribution system in the apartment

1 complex is dangerous as I have found that it is often impossible to find anyone to respond  
2 to a gas leak or similar emergency concerning our gas service in the complex.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 **A.** Yes, it does.

**QUAIL POINTE APARTMENT HOMES  
ADDENDUM TO LEASE  
SUB-METERED NATURAL GAS**

You shall be responsible for paying the gas utility service provided by Quail Pointe Apartment Homes during the term of your lease. The resident agrees that we have and will continue to have under the terms of the agreement the right to designate the residents natural gas provider. You agree to individual utility billing in your name immediately upon signing this agreement and promptly pay same when due. You acknowledge that continued occupancy of the apartment when any utility have been cut off is hazardous. You agree not to terminate, cut off, interrupt, or discontinue any utility service to the apartment building.

If the utility equipment is tampered with an alarm will alert the office and the third party utility company. Tampering with the equipment will result in a charge of \$200.00 and you will receive a lease violation. The lease violation will be grounds for termination of your lease.

Breach of this provision shall constitute default, giving us the right to terminate the Lease Agreement immediately and to obtain possession of the apartment. Any charges billed to us for utilities due to your breach of this provision shall be due as additional rent. We are not liable for interruption or malfunction in service of any utility due to any cause.

*Natural Gas Usage is provided through the following system as indicated.*

Sub-metered Billing for Natural Gas Service: Notwithstanding anything to the contrary herein, you agree to pay for all natural gas charges including service charges separately from the rent payment. You understand that the utility service is sub-metered and that monthly billing for natural gas will come from a third party company designated by Management.

Cherie Holsten 11-19-01  
Resident Date

\_\_\_\_\_  
Resident Date  
Pauline Garner  
Management

EXHIBIT B

Make Checks Payable to: **Argen Billing Systems**  
P.O. Box 81167  
Conyers, GA 30013  
(770) 760-9696

ACCOUNT NUMBER  
0144-000008.00

BILL DATE  
03/07/02

DUE DATE  
03/22/02

SERVICE DATES		PREVIOUS BALANCE
12/27/01 01/27/02		0.00
METER READING	CONSUMPTION	CHARGE
Gas 1318	493	60.89
Service Charge		5.00
pd 3-13		
[REDACTED]		
SERVICE AT #8460 EAST BLACKSTOCK RD		

Make Checks Payable to: **Argen Billing Systems**  
P.O. Box 81167  
Conyers, GA 30013  
(770) 760-9696

ACCOUNT NUMBER  
0144-000008.00

BILL DATE  
05/06/02

DUE DATE  
05/21/02

SERVICE DATES		PREVIOUS BALANCE
02/28/02 03/25/02		0.00
METER READING	CONSUMPTION	CHARGE
Gas 379	379	29.72
Service Charge		5.00
received 5-13-02 pd 5-14-02		
[REDACTED]		
SERVICE AT #8460 EAST BLACKSTOCK RD		

Make Checks Payable to:  
Argen Billing Systems  
P.O. Box 81167  
Conyers, GA 30013  
(770) 760-9696

ACCOUNT NUMBER  
0144-000008.00  
BILL DATE 07/11/02 DUE DATE 07/26/02

SERVICE DATES		PREVIOUS BALANCE
05/26/02 06/25/02		0.00
METER READING	CONSUMPTION	CHARGE

Gas	530	16.48
Service Charge		5.00

rec'd 7-15 posted 7-17

SERVICE AT

#8460 EAST BLACKSTOCK RD

Make Checks Payable to:  
Argen Billing Systems  
P.O. Box 81167  
Conyers, GA 30013  
(770) 760-9696

ACCOUNT NUMBER  
0144-000008.00  
BILL DATE 05/28/02 DUE DATE 06/12/02

SERVICE DATES		PREVIOUS BALANCE
03/25/02 04/25/02		0.00
METER READING	CONSUMPTION	CHARGE

Gas	656	20.40
Service Charge		5.00

rec'd 5-31-02  
pd/posted 5-31-02 pm

SERVICE AT

#8460 EAST BLACKSTOCK RD

Make Checks Payable to:  
Argen Billing Systems  
P.O. Box 81167  
Conyers, GA 30013  
(770) 760-9696

ACCOUNT NUMBER  
0144-000008.00  
BILL DATE 08/16/02 DUE DATE 08/31/02

SERVICE DATES		PREVIOUS BALANCE
06/25/02 07/25/02		0.00
METER READING	CONSUMPTION	CHARGE

Gas	530	21.73
Service Charge		5.00

rec'd 8-19  
posted 8-20

SERVICE AT

#8460 EAST BLACKSTOCK RD

Make Checks Payable to:  
Argen Billing Systems  
P.O. Box 81167  
Conyers, GA 30013  
(770) 760-9696

ACCOUNT NUMBER  
0144-000008.00  
BILL DATE 06/20/02 DUE DATE 07/05/02

SERVICE DATES		PREVIOUS BALANCE
04/25/02 05/26/02		0.00
METER READING	CONSUMPTION	CHARGE

Gas	548	17.04
Service Charge		5.00

rec'd 6-24  
posted 6-26

SERVICE AT

#8460 EAST BLACKSTOCK RD

Make Checks Payable to:  
Argen Billing Systems  
P.O. Box 81167  
Conyers, GA 30013  
(770) 760-9696

ACCOUNT NUMBER  
0144-000008.00  
BILL DATE  
09/11/02  
DUE DATE  
09/26/02

Return Service  
Requested

FIRST CLASS MAIL  
U.S. POSTAGE PAID  
CONYERS, GA  
PERMIT NO. 324

SERVICE DATES		PREVIOUS BALANCE
07/25/02 08/25/02		0.00
METER READING	CONSUMPTION	CHARGE

Gas	429	17.59
Service Charge		5.00

*rec'd 9-27  
called 9-19/posted 9-19*

AMOUNT DUE BY	10/26/02	24.80
AMOUNT DUE AFTER	10/26/02	39.80

SERVICE AT #8460 EAST BLACKSTOCK RD

CHERIE HOLSTEN  
460 EAST BLACKSTOCK RD  
APT #8  
SPARTANBURG, SC 29301-

ACCOUNT NUMBER

WRITE ACCOUNT NUMBER ON PAYMENT  
AND RETURN WITH THIS STUB

Make Checks Payable to:  
Argen Billing Systems  
P.O. Box 81167  
Conyers, GA 30013  
(770) 760-9696

ACCOUNT NUMBER  
0144-000008.00  
BILL DATE  
10/11/02  
DUE DATE  
10/26/02

Return Service  
Requested

FIRST CLASS MAIL  
U.S. POSTAGE PAID  
CONYERS, GA  
PERMIT NO. 324

SERVICE DATES		PREVIOUS BALANCE
08/25/02 09/25/02		0.00
METER READING	CONSUMPTION	CHARGE

Gas	483	19.80
Service Charge		5.00

*bill received  
10-21-02  
- per phone conversation  
w/ Nancy on 10-17*

AMOUNT DUE BY	10/26/02	24.80
AMOUNT DUE AFTER	10/26/02	39.80

SERVICE AT #8460 EAST BLACKSTOCK RD

CHERIE HOLSTEN  
460 EAST BLACKSTOCK RD  
APT #8  
SPARTANBURG, SC 29301-

ACCOUNT NUMBER

WRITE ACCOUNT NUMBER ON PAYMENT  
AND RETURN WITH THIS STUB



American Water  
P.O. Box 441088  
Miami, FL 33144-1088



Customer Service Provided By United Water  
Hours: M-F 8 a.m. - 5 p.m. EST  
1.888.825.2590

Avoid Late Charges By Paying Promptly.

ACCOUNT NUMBER	NAME AND SERVICE ADDRESS	BILLING PERIOD
315004600008001	Cherie Holsten 460 E. Blackstock Rd 8 Spartanburg, SC 29301-3374	9/26/02 - 10/30/02
<b>DESCRIPTION OF CHARGES</b>		
	Usage	Amount
	35	
	Previous Balance	\$0.00
11/15/02	Gas Usage Charge	\$29.5
	Current Bill	\$29.5
	Amount Due	\$29.5
		<b>TODAY'S MESSAGE</b>

RETAIN THIS PORTION FOR YOUR RECORDS. CHECK NO. 5036 DATE PAID 11-22 AMOUNT PAID 29.50

FOLD ON PERFORATION AND DETACH HERE

EXHIBIT C

American Water  
P.O. Box 441088  
Miami, FL 33144-1088



Customer Service Provided By United Water  
Hours: M-F 8 a.m. - 5 p.m. EST  
1.888.825.2590

Avoid Late Charges By Paying Promptly.

ACCOUNT NUMBER	NAME AND SERVICE ADDRESS	BILLING PERIOD
315004600008001	CHERIE HOLSTEN 460 E BLACKSTOCK RD APT.# 8 SPARTANBURG, SC 29301	10/30/02 - 11/27/02
<b>DESCRIPTION OF CHARGES</b>		
		Usage Unit Amount
	Previous Balance	29.50
12/03/2002	PAYMENT	-29.50
12/19/2002	GAS USAGE	92 71.54
	Current Bill	71.54
	Amount Due	71.54
ABOVE USAGE IS MEASURED IN THERMS		TODAY'S MESSAGE

RETAIN THIS PORTION FOR YOUR RECORDS. CHECK NO. 5068 DATE PAID 12-27 AMOUNT PAID 71.54

FOLD ON PERFORATION AND DETACH HERE

American Water  
P.O. Box 441088  
Miami, FL 33144-1088



Customer Service Provided By United Water  
Hours: M-F 8 a.m. - 5 p.m. EST  
1.888.825.2590

Avoid Late Charges By Paying Promptly.

ACCOUNT NUMBER	NAME AND SERVICE ADDRESS	BILLING PERIOD																					
315004600008001	CHERIE HOLSTEN 460 E BLACKSTOCK RD APT.# 8 SPARTANBURG, SC 29301	11/27/02 - 12/31/02																					
<b>DESCRIPTION OF CHARGES</b>																							
		<table><thead><tr><th>Usage</th><th>Unit</th><th>Amount</th></tr></thead><tbody><tr><td></td><td></td><td>71.54</td></tr><tr><td></td><td></td><td>-71.54</td></tr><tr><td></td><td></td><td>155.74</td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td>155.74</td></tr><tr><td></td><td></td><td>155.74</td></tr></tbody></table>	Usage	Unit	Amount			71.54			-71.54			155.74						155.74			155.74
Usage	Unit	Amount																					
		71.54																					
		-71.54																					
		155.74																					
		155.74																					
		155.74																					
01/02/2003	Previous Balance																						
01/20/2003	PAYMENT																						
01/20/2003	GAS USAGE	200																					
	Current Bill																						
	Amount Due																						
ABOVE USAGE IS MEASURED IN THERMS		TODAY'S MESSAGE																					

RETAIN THIS PORTION FOR YOUR RECORDS. CHECK NO. 5092 DATE PAID 2-1 AMOUNT PAID 155.74  
FOLD ON PERFORATION AND DETACH HERE

American Water  
P.O. Box 441088  
Miami, FL 33144-1088



Customer Service Provided By United Water  
Hours: M-F 8 a.m. - 5 p.m. EST  
1.888.825.2590

Avoid Late Charges By Paying Promptly.

ACCOUNT NUMBER	NAME AND SERVICE ADDRESS	BILLING PERIOD
315004600008001	CHERIE HOLSTEN 460 E BLACKSTOCK RD APT.# 8 SPARTANBURG, SC 29301	12/31/02 - 01/29/03
<b>DESCRIPTION OF CHARGES</b>		
		<b>Usage      Unit      Amount</b>
02/04/2003	Previous Balance	155.74
02/14/2003	PAYMENT	-155.74
	GAS USAGE	142.75
		169
	Current Bill	142.75
	Amount Due	142.75
ABOVE USAGE IS MEASURED IN THERMS		TODAY'S MESSAGE

RETAIN THIS PORTION FOR YOUR RECORDS. CHECK NO. 5113 DATE PAID 2-23 AMOUNT PAID 142.75

FOLD ON PERFORATION AND DETACH HERE



*Quail Pointe*  
Apartment Homes

Date March 3, 2003

Re: Gas Bill

Dear Residents of: Quail Pointe Apartment Community

The company we are using for our gas billing will change next month to National Exemption Service.

Effective March 13, 2003 all payments for your gas bills should be made to the apartment rental office.

In the future, your gas bill may be paid along with your rental payments. We are hoping this will make the payment of your gas bill easier for you.

Should you have any questions about this change, please feel free to contact us.

Sincerely,

*Carolyn Rogers*

Manager



**Quail Pointe Apartment Homes  
460 E. Blackstock Road  
Spartanburg, SC 29301  
(864)587-1939**

**ATTENTION: ALL RESIDENTS**

**March 3, 2003**

**Please stop by the Leasing Office IMMEDIATELY, to come in and sign Our new package release forms. This form is to be signed so that we will have your permission or not, for the Postal Service, Fed-Ex, UPS, or any other delivery service to leave packages for you. If you choose not to sign this release form, packages will not be allowed to be left in the Leasing Office for you in your absence if you are not home to sign for your packages. It is our new COMPANY POLICY, not to accept any Packages on your behalf without your permission and signature on this release form. All current and new residents must sign whether you are giving us your permission to accept packages on your behalf or your are declining for us to be able to accept packages. Please stop by the office as soon as possible.**

**Also, for ALL RESIDENTS who have not signed the LEAD BASED PAINT DISCLOSURE, please do so when you are in the Leasing Office. If you are not sure, please ask and we can look it up for you.**

**Regarding the new gas billing company, if you have already paid your Gas bill and sent it in to American Water, that is fine. If you have not, Please do so IMMEDIATELY. As the letter stated, the new company will be taking over our Property Gas Billing System effective 3/15/03. From that date on, ALL GAS BILLS NEED TO BE BROUGHT INTO THE LEASING OFFICE ALONG W/RENTAL PAYMENTS IN SEPARATE MONEY ORDERS. If you have questions or concerns, please contact the Leasing Office Staff.**

**Thank You,**

**Management Staff**

Quail Pointe Apartments  
460 E. Blackstock Rd.  
Spartanburg SC 29301  
(864) 587-1939

Date: 6/9/06

To: Chene Hlston Apt: 2594 8

Dear Chene,

You have an unpaid balance due of \$ 25.94 for  
June gas please come by the  
office as soon as possible to get this taken care of.

If you have any questions please call me at (864) 587-1939.

Thank you,  
Angie Feregrino  
Site Administrator

Phone: (727) 545-0120 (800) 488-1748

Pay to: QUAIL POINTS APTS. - OFFICE  
460 E. BLACKSTOCK ROAD.  
SPARTANBURG, SC 29301  
HOLSTEN, CHERIE

Due: UPON RECEIPT

QUAIL POINTS APARTMENTS  
0299-212631  
CURRENT CHARGES DUE

PAST DUE

Pre Bal Due 0.00  
Water Chg \$ 42.83

From: 11/10/06  
to: 12/10/06  
Mtr# 212631  
Currd 2,322.200  
Prevrd 2,279.900  
Usage 42,300

Tot. Chrg. \$ 42.83

Paymts Recd 0.00

Payment Due \$ 42.83

pd  
2-07  
yck #5976

Phone: (727) 545-0120 (800) 488-1748

Pay to: QUAIL POINTS APTS. - OFFICE  
460 E. BLACKSTOCK ROAD.  
SPARTANBURG, SC 29301  
HOLSTEN, CHERIE

Due: 07/16/2006

QUAIL POINTS APARTMENTS  
0299-212631  
CURRENT CHARGES DUE

YOUR COPY

Pre Bal Due 0.00  
Water Chg \$ 27.39

From: 05/10/06  
to: 06/10/06  
Mtr# 212631  
Currd 2,144,500  
Prevrd 2,126,900  
Usage 25,700

Tot. Chrg. \$ 27.39

Paymts Recd 0.00

Payment Due \$ 27.39

FIRST-CLASS MAIL  
U.S. POSTAGE PAID  
TAMPA, FL  
PERMIT NO. 22

( ) See Address Change On Back

Return This Side & Payment  
Payment Due \$ 27.39

Acct #0299-212631-000

Due: 07/16/2006

HOLSTEN, CHERIE  
460 E. BLACKSTOCK ROAD  
Unit: 08  
SPARTANBURG SC 29301

774-99 C069

774-99 C069

Spoken/  
Shawna Fri 1-26  
Mon 1-29 - no reply

Phone: (727) 545-0120 (800) 488-1748

Pay to: QUAIL POINTS APTS. - OFFICE  
460 E. BLACKSTOCK ROAD.  
SPARTANBURG, SC 29301  
HOLSTEN, CHERIE

Due: 02/01/2007

QUAIL POINTS APARTMENTS  
0299-212631  
CURRENT CHARGES DUE

YOUR COPY

Pre Bal Due 0.00  
Water Chg \$ 74.52

From: 12/10/06  
to: 01/10/07  
Mtr# 212631  
Currd 2,395,500  
Prevrd 2,322,300  
Usage 73,300

Tot. Chrg. \$ 74.52

Paymts Recd 0.00

Payment Due \$ 74.52

pd 2-2  
yck #6005

Phone: (727) 545-0120 (800) 488-1748

Pay to: QUAIL POINTS APTS. - OFFICE  
460 E. BLACKSTOCK ROAD.  
SPARTANBURG, SC 29301  
HOLSTEN, CHERIE

Due: 05/12/2006

QUAIL POINTS APARTMENTS  
0299-212631  
CURRENT CHARGES DUE

YOUR COPY

Pre Bal Due 0.00  
Water Chg \$ 51.35

From: 05/10/06  
to: 06/10/06  
Mtr# 212631  
Currd 2,316,600  
Prevrd 2,166,700  
Usage 45,900

Tot. Chrg. \$ 51.35

Paymts Recd 0.00

Payment Due \$ 51.35

pd  
10-5  
yck #5907

Phone: (727) 545-0120 (800) 488-1748

Pay to: QUAIL POINTS APTS. - OFFICE  
460 E. BLACKSTOCK ROAD.  
SPARTANBURG, SC 29301  
HOLSTEN, CHERIE

Due: 08/11/2006

QUAIL POINTS APARTMENTS  
0299-212631  
CURRENT CHARGES DUE

YOUR COPY

Pre Bal Due 0.00  
Water Chg \$ 26.85

From: 06/10/06  
to: 07/10/06

Tot. Chrg. \$ 26.85

Paymts Recd 0.00

Payment Due \$ 26.85

pd 8-4-06  
yck #5871

0069

0069



Phone: (727) 545-0120 (800) 488-1748

Pay to: QUAIL POINTS APTS. - OFFICE  
460 E. BLACKSTOCK ROAD.  
SPARTANBURG, SC 29301  
HOLSTEN, CHERIE

Due: 11/12/2006

QUAIL POINTS APARTMENTS

CURRENT CHARGES DUE

0299-212631

YOUR COPY

Pre Bal Due \$ 0.00

Water Chg \$ 34.92

From: 05/10/06  
To: 10/10/06  
Mtr# 212631  
Currd 2,249.900  
Prevrd 2,216.400  
Usage 33,300

Tot. Chrg \$ 34.92

Paymts Recd \$ 0.00

Payment Due \$ 34.92

C069



Phone: (727) 545-0120 (800) 488-1748

Pay to: QUAIL POINTS APTS. - OFFICE  
460 E. BLACKSTOCK ROAD.  
SPARTANBURG, SC 29301  
HOLSTEN, CHERIE

Due: 06/16/2006

QUAIL POINTS APARTMENTS

CURRENT CHARGES DUE

0299-212631

YOUR COPY

Pre Bal Due \$ 0.00

Water Chg \$ 25.94

From: 04/10/06  
To: 05/10/06  
Mtr# 212631  
Currd 2,120.900  
Prevrd 2,062.200  
Usage 38,700

Tot. Chrg \$ 25.94

Paymts Recd \$ 0.00

Payment Due \$ 25.94

C069



Phone: (727) 545-0120 (800) 488-1748

Pay to: QUAIL POINTS APTS. - OFFICE  
460 E. BLACKSTOCK ROAD.  
SPARTANBURG, SC 29301  
HOLSTEN, CHERIE

Due: 04/05/2006

QUAIL POINTS APARTMENTS

CURRENT CHARGES DUE

0299-212631

YOUR COPY

Pre Bal Due \$ 0.00

Water Chg \$ 125.87

From: 02/10/06  
To: 03/10/06  
Mtr# 212631  
Currd 1,929.900  
Prevrd 1,729.900  
Usage 200,000

Tot. Chrg \$ 125.87

Paymts Recd \$ 0.00

Payment Due \$ 125.87

C069





Dec 03 07 03:00p

Steven R Holsten

(864) 576-4001

p.2

**Quail Pointe**  
460 E. Blackstock Rd  
Spartanburg, SC 29301

Billing Date 11/19/2007  
Unit Bldg A Unit 8  
Account # DHD-QUA200710A8  
Move In Date 06/01/1988  
Balance Forward \$0.00

Total Due	\$519.36
-----------	----------

(If paid by 12/01/2007)

Amount Paid
-------------

19824 1 MB 0.360 \*\*\*AUTO\*\*MIXED AADC 750  
Holsten, Cherie  
460 E Blackstock Rd # 8  
Spartanburg, SC 29301-3774



Make payments payable to:

**Quail Pointe**  
460 E. Blackstock Rd  
Spartanburg, SC 29301

For proper credit, please detach and return the upper portion with your payment. Thank you.

**RESIDENT ACCOUNT STATEMENT**

Property Fees	Utility Fees	New Charges	Balance Forward	Total Due	Date Due
\$499.00	\$20.36	\$519.36	\$0.00	\$519.36	12/01/2007

**CHARGE DETAILS \*****Property Fees**

Rent	\$499.00
------	----------

Scheduled Property Fees Due	\$499.00
-----------------------------	----------

**Utility Charges:**

Gas Allocation Occupant (09/06-10/04)	\$6.56
---------------------------------------	--------

RUBS: 1 occupancy X 6.562388889

Gas Allocation Sq.Ft (09/06-10/04)	\$10.55
------------------------------------	---------

RUBS: 880 sq footage X 0.011985286

Monthly Service Charge (09/21-10/22)	\$3.25
--------------------------------------	--------

Flat Charge

Utility Charges Due	\$20.36
---------------------	---------

<b>TOTAL DUE if paid by 12/01/2007:</b>	<b>\$519.36</b>
---	-----------------

\* Resident utility charges are generated by Velocity, 4000 International Pkwy Ste 1000 Carrollton, TX 75007. These charges are allocated from master property bills received by the property from the respective utility provider. This bill is not from City of Spartanburg. Charges are allocated to residents based upon their lease agreements. For detail on rate calculations, refer to your resident portal or contact the property's management staff. Property Fees reflect data in the resident ledger as of the date bills were printed and mailed. You are responsible for paying the correct amount in a timely manner. Please contact your leasing office to report any errors or omissions.

**Quail Pointe**  
460 E. Blackstock Rd  
Spartanburg, SC 29301

**MESSAGE BOARD****Water Conservation Tip:**

- Pre-treat clothing stains to avoid rewashing. Use the shortest wash cycle for lightly soiled loads!



For questions regarding your account, please contact Management at (864) 587-1939

**EXHIBIT F**

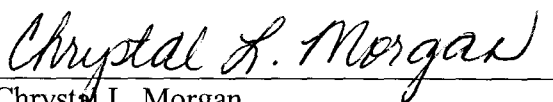
**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2007- 228-G**

IN RE: Petition of the Office of Regulatory Staff     )  
      Requesting a Rule to Show Cause to Quail     )  
      Pointe Apartments, 460 E. Blackstock Road,)     CERTIFICATE OF SERVICE  
      Spartanburg, South Carolina 29301 as to     )  
      Why Quail Pointe Apartments Should Not     )  
      Be Regulated as a Public Utility             )

This is to certify that I, Chrystal L. Morgan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **DIRECT TESTIMONY AND EXHIBITS OF BRENT L. SIRES AND CHERIE L. HOLSTEN** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Scott Elliott, Esquire  
Elliott & Elliott, P.A.  
721 Olive Street  
Columbia, SC, 29205

Stephan C. Ouverson, Esquire  
Registered Agent, Quail Point Apt  
11883 Plaza Dr.  
Murrells Inlet, SC 29576

  
Chrystal L. Morgan

June 17, 2008  
Columbia, South Carolina